

AMG SUPER: ANNUAL MEMBER MEETING

Date & Time	Thursday, 9 February 2023	4:30 pm – 5:07 pm
Virtual venue	Meeting held online	
Attendees	<p>Equity Trustees Superannuation Limited (ETSL) Board: Catherine Robson (Chair), Sue Everingham, Paul Rogan, Ellis Varejes</p> <p>Adam Kuziow (Deloitte, Fund Auditor);</p> <p>David Warren (General Manager, Clients and Strategic Planning, Superannuation Trustee Office, Equity Trustees)</p> <p>Alan Hegerty (Chief Executive Officer, Acclaim Wealth)</p> <p>Attendees: 8 members and 8 guests</p>	
Apologies	Mark Blair (Director); Michael O'Brien (Director).	
1. Commencement	<p>At 4:30pm, Catherine Robson welcomed all attendees, provided an overview of the Agenda for the meeting and noted details of how to lodge questions and who to call to address any technical difficulties.</p>	
2. Introduction and Welcome	<p>The Chair noted that a quorum of ETSL directors, David Warren Alan Hegerty and Adam Kuziow were present at the meeting.</p> <p>The Chair welcomed all members and attendees to the Annual Member Meeting of AMG Super (Fund).</p>	
3. Chairman's message	<p>The Chair spoke about the role of an independent trustee within the operation of a superannuation fund. This discussion included:</p> <ul style="list-style-type: none"> • Changes to the Trustee Board; • An overview of ETSL as trustee of the Fund and the responsibilities of the Trustee; • Key changes in superannuation and associated legislative changes; and • That ETSL's key role is to protect the interests of members. 	
4. Fund update	<p>David Warren provided an overview of the Fund including offers for existing members;</p> <p>The overview also included</p> <ul style="list-style-type: none"> • The Fund's size and scale; • Fund's product offering; and • The role of the Trustee as an independent organisation, AIA as insurer and Acclaim Management as both Promoter and Administrator. 	
5. Key Initiatives	<p>David Warren addressed the following key themes:</p> <ul style="list-style-type: none"> • AMG re-brand to Acclaim Wealth; • AIA taking over from Hannover as insurer; • AMG MySuper failing performance test and subsequent actions taken; • Reduction of administration fee for MySuper; • Member Outcomes Assessments; 	



- Investment market and Fund performance along with the investment outlook;
- Member survey by Trustees; and
- Insurance.

6. Looking Forward

Alan Hegerty spoke about the Funds plans and next 12 months:

- Enhancing Member Outcomes;
- Introduction of Index investment options;
- Improving member experience and enhancing efficiencies through Product Consolidation project;
- Growth with strategic partnerships: with both New Quantum and RAIZ as subdivisions of the Fund; and
- Independent awards won by the Fund.

7. Questions

David Warren and Alan Hegerty responded to 4 questions asked by members:

- How are your fees structured and will they decrease due to the merger?
- I have noticed some adverse articles in the Australian Financial Review about AMG's superannuation operations and naturally these articles raise doubts in my mind about AMG. Could you please give me your side of the story about these articles?
- What is being done to improve performance, as it's not been very good at all last two years?
- With current talks of a Global recession, inflation, interest rates rising, and political uncertainty, what strategies does the Fund have in place in order to safeguard members?

It was noted that it was not possible to respond to questions about a member's personal account or circumstances. The Fund would seek to contact these members directly to address their questions.

Written responses to these and other questions posed by members are attached to these Minutes.

8. Closing remarks

The Chair thanked all those in attendance and noted that a video of the meeting, the Meeting Minutes and written responses to all the questions submitted by members would be available online within 4 weeks of the meeting.

The meeting was closed at 5:07 pm.



QUESTIONS AND ANSWERS

1. How are your fees structured and will they decrease due to the merger?

There has been no merger involving AMG Super nor is one planned.

However, over the last 12 months, AMG Super has launched two new divisions in the Fund:

- New Quantum launched an offer to advised members in Q3 2022; and
- The Raiz division was introduced in December 2022 with the transfer in of members from another super fund bringing across \$120m adding scale to the Fund.

The Fund's strategy is to have additional offers and transfers in of existing monies in 2023.

AMG Super will be migrating to the new Acclaim Online portal during 2023. Full details including any impacts to fees will be included in a significant event notice that will be issued to existing account holders that are being migrated to the new Acclaim online portal. This significant event notice will be issued at least 30 days prior to migration so that members, with the assistance of their advisers (if applicable), can consider the changes and the impacts to their account.

We encourage members to read the product disclosure statement and additional information booklet for information about the fees and costs applicable to their superannuation product.

Members can access these product documents by visiting the relevant Fund website. This will be either www.acclaimwealth.com.au, www.freedomofchoice.com.au, www.raizinvest.com.au, or www.nqsuper.com.au.

If you have an adviser, we recommend that you speak with them in relation to the exact fee arrangement applicable to your account.

2. I have noticed some adverse articles in the Australian Financial Review about AMG's superannuation operations and naturally these articles raise doubts in my mind about AMG. Could you please give me your side of the story about these articles?

The recent media article in the AFR was related to the AMG MySuper option, which failed the APRA performance test. The AMG MySuper option is one of hundreds of investment options available through the Fund. Acclaim Wealth work closely with the Trustee to improve the outcomes of the AMG MySuper product. However, we acknowledge the underperformance of the option over the 8-year period and why we took the action to close the option.

Both the Trustee and the Promoter of the Fund are comfortable that we offer products that in the best interest of our members. In fact, in latest APRA MySuper figures, the AMG MySuper product actually had the lowest total fees of any MySuper product at just 0.47% on a \$50,000 account balance. Additionally, we made changes to the investments a few years ago to move to an indexed investment strategy, the Trustee is comfortable the going forward returns will be in the best interests of members.

We're continually striving to develop offers which are in our members best interest and are proud to have won many industry awards as well.

The AMG Cash option was named as the winner of Best Cash Super Product by Money Magazine. Acclaim Super & Pension products, part of the AMG Super Division, were rated "outstanding" and awarded 5 Heron Quality Stars following the latest public assessment of superannuation products for



2022. The 2022 assessment covered 100 major superannuation products. The superannuation products included 33 commercial products, 48 industry fund products and 19 specialist “corporate” products.

AMG Super Division’s Personal, Corporate and Core Super products achieved the highest possible AAA rating as part of Rainmaker Information’s annual fund quality assessment.

3. What is being done to improve performance, as it's not been very good at all last two years?

In the last 2 years we have experienced an extraordinary chain of events with floods, recovery from the COVID-19 pandemic, the war in Ukraine and interest rate changes, all contributing to uncertainty and volatility.

In times of market volatility investment balances may decline, but it is important to remember that markets move in cycles. Volatility is a natural part of the economic cycle and markets are influenced by a range of factors and are inherently unpredictable.

Remember that for most investors, superannuation is generally a long-term investment of 20 years or more. When investing over the long term, your super investments will likely need to withstand the volatility produced by these cycles more than once.

It’s important to understand your risk profile. All investments carry some risk. How much risk you’re willing to accept will be influenced by your financial situation, family considerations, time horizon and even your personality.

The Trustee seeks to provide a diverse range of investments from which a member may select to provide choices as to the level of risk and volatility that’s right for them.

If market volatility has caused you to reassess the way you feel about risk, it’s important to consider seeking professional financial advice tailored to your personal needs.

4. With current talks of a Global recession, inflation, interest rates rising, and political uncertainty, what strategies does the Fund have in place in order to safeguard members?

Looking forward, many economists and market commentators are pointing out areas of risk and concern that could have impacts on future investment returns.

The Trustee is unable to predict or comment on future returns that may be achieved but notes that market volatility is a part of the economic cycle and returns are unpredictable.

To assist members, the Trustee seeks to provide a diverse range of investments with different risk profiles to enable members to select investment options that are right for them and their personal circumstances.

If you have concerns about selecting the investment strategy that is right for you, it’s important to consider seeking professional financial advice tailored to your personal needs.



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